

PVS GIFT ACCEPTANCE POLICY AND PROCEDURE

I. PURPOSE

Prisoner Visitation & Support (PVS) seeks outright gifts and future gift commitments that are consistent with and in furtherance of its mission. Donations generally will be accepted from individuals, foundations, corporations, organizations, partnerships or other entities without limitations – unless acceptance of gifts from a specific source is inconsistent with the organization's beliefs, values and mission. PVS invites and solicits current and deferred gifts for unrestricted, restricted and endowment purposes.

These policies and guidelines govern the acceptance of gifts by PVS and provide guidance to PVS staff and volunteers and to prospective donors and their advisors when making or considering gifts to PVS.

II. TYPES OF GIFTS

In general, PVS accepts or will accept the proceeds of the following types of gifts, which are not intended to represent an exclusive list of appropriate gifts:

1. Cash
2. Marketable securities
3. Tangible personal property
4. Real estate
5. Life insurance and life insurance beneficiary designations
6. Charitable remainder trusts
7. Charitable lead trusts
8. Retirement plan beneficiary designations
9. Bequests

III. GIFTS GENERALLY ACCEPTED WITHOUT REVIEW

1. Cash

Cash gifts are acceptable in any form, including by currency, check, money order, credit card or online. Checks or money orders shall be made payable to "Prisoner Visitation & Support," shall appropriately identify the donor or donors and be delivered to PVS's administrative offices. Wire and electronic funds transfer (EFT) can usually be arranged with the PVS staff. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, and name of the card holder as it appears on the credit card. If the gift is directed to a specific program or purpose, written documentation accompanying the gift must be included.

2. Securities

PVS can accept publicly traded securities and may accept closely held securities.

- **Publicly Traded Securities.** Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by the Finance Committee. Stock controlled under SEC rule 144 or bonds requiring a holding period will be held until the sale restriction expires and then will immediately be sold. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift. In such instances the final determination on the acceptance of the restricted securities shall be made by the gift acceptance committee.

The value of a stock gift is the average (mean) of the high and low market price of the stock on the date the stock is received in PVS's account.

To properly account for and recognize a stock gift, donors should alert PVS prior to completing the transaction with their broker. When donors complete the transaction, either they or their broker should forward a statement, including name and number of shares of the securities and the date of transfer to the PVS account, along with any special instructions or restrictions. It is the responsibility of PVS, not the broker, to establish and acknowledge the value of the gift to the donor.

3. Charitable Remainder Trusts

PVS may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the gift acceptance committee. PVS will not accept appointment as Trustee of a charitable remainder trust.

4. Charitable Lead Trusts

PVS may accept a designation as income beneficiary of a charitable lead trust. PVS will not accept an appointment as Trustee of a charitable lead trust.

5. Life Insurance Beneficiary Designations

Donors and supporters of PVS will be encouraged to name PVS as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to PVS until such time as the gift is irrevocable.

6. Deferred Compensation/Retirement Plan Beneficiary Designations

PVS generally will accept gifts designating PVS as a beneficiary of the donor's retirement plans including, but not limited to, IRAs, 401(k)s, 403 (b)s and other plans. Such designation will not be recorded as a gift to PVS until such time as the gift is irrevocable. Donors and supporters of PVS will be encouraged to name PVS as beneficiary of their retirement plans.

7. Bequests

Donors and supporters of PVS will be encouraged to make bequests to PVS under their wills and to name PVS as the beneficiary under trusts, life insurance policies, commercial annuities and

retirement plans. Such bequests will not be recorded as gifts to PVS until such time as the gift is irrevocable. The criteria for the acceptance of the gift or bequest will be the same as otherwise provided herein.

Bequests are to be directed to “Prisoner Visitation & Support.” Sample bequest language will be made available to donors and their advisors. During administration of any estate or trust in which PVS is a beneficiary, the appropriate PVS representative will work closely with legal counsel in all dealings with attorneys, trustees, and representatives of the estate or trust. PVS will not accept appointment as Trustee of a testamentary trust.

All funds received through bequests will be placed in the PVS account at Friends Fiduciary Corporation.

8. Multiyear pledges

Multiyear pledges for gifts of \$3,000 and above are encouraged, but for no more than three (3) to five (5) years. Donor(s) should complete and sign a gift or pledge agreement form detailing the purpose of the gift, payment schedule and how they wish their name(s) to appear in donor recognition materials. Pledges can be fulfilled by a variety of gift types as approved by the gift acceptance committee.

IV. GIFTS ACCEPTED SUBJECT TO PRIOR REVIEW

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

1. Tangible Personal Property

Gifts of tangible personal property shall be evaluated using these criteria: will the property further the organization’s mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property, such as use, display, sale, and/or disposition of the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear? The gift acceptance committee shall review and determine whether to accept any gifts of tangible personal property in light of these considerations.

2. Life Insurance

PVS will generally accept gifts of paid-up life insurance where PVS is named as both beneficiary and irrevocable owner of the insurance policy. This must be accomplished before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. Whether any policy is accepted will depend on the economics of the transfer. A determination about whether the policy is maintained by PVS or surrendered for cash value will be made at the time of gift acceptance.

3. Real Estate

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. All gifts of real estate are subject to review by the gift acceptance committee.

Criteria for acceptance of gifts of real estate shall include: Is the property useful for the purposes of PVS? Is the property readily marketable? Are there any covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

In assessing whether it is in PVS's best interests to accept a gift of real estate the organization will consider the property's title, value, marketability, location, encumbrances, liabilities, costs and income, present and future perceptions that may arise out of its acceptance and/or resale of the property and any other issues distinct to that property that might create unacceptable challenges, undue expense, or a perception of impropriety or conflict with the PVS mission.

Prior to acceptance of real estate, PVS shall require an initial environmental review by a qualified environmental firm to ensure that the property has no environmental damage or potential liability. In the event that the initial review reveals a potential problem, PVS may retain a qualified environmental firm to conduct an environmental audit. Non-residential properties shall definitely require a Phase I audit. The cost of environmental audits shall generally be an expense of the donor.

When appropriate, a title insurance binder shall be obtained by PVS prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor. Prior to acceptance of real property, the gift shall be approved by the gift acceptance committee with the advice of PVS's legal counsel as deemed necessary.

If non-cash gifts such as real estate, closely held corporate stock, life insurance, jewelry, collections, etc. are accepted it is expected that the donor will pay for a) expenses associated with the conveyance of a gift and b) legal fees associated with the completion of the gift.

See section VI for the types of gifts that will be referred to the gift acceptance committee.

V. RESTRICTIONS ON GIFTS

Unrestricted gifts provide the greatest flexibility for PVS. PVS will accept unrestricted gifts, and gifts restricted for specified programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities. PVS will not accept gifts that are too restrictive in purpose. Gifts for purposes that are not consistent with PVS's mission or consonant with its current or anticipated future programs cannot be accepted.

PVS will not accept gifts that would result in (a) PVS violating its corporate charter or Articles of Incorporation and by-laws, (b) PVS losing its status as an IRC 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for PVS, and/or (e) are for purposes outside PVS's mission.

All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the gift acceptance committee.

When gifts with restrictions are accepted, restrictions will be honored. These restrictions will be detailed in the donor's gift or pledge commitment letter.

VI. GIFT ACCEPTANCE COMMITTEE

The gift acceptance committee shall consist of:

- 1) The Chair of the Board of PVS;
- 2) Chair of the Finance Committee of PVS;
- 3) Chair of the Development Committee of PVS; and
- 4) The Executive Director and the development officer of PVS, ex-officio.

The gift acceptance committee is charged with the responsibility of reviewing all types of gifts proposed to be made to PVS; properly screening, accepting or rejecting those gifts as below per policy; and making recommendations to the Board on gift acceptance issues when appropriate.

The types of gifts that will be referred to the gift acceptance committee include, but are not limited to:

- Gifts whose acceptance might place an undue management burden on staff or volunteers
- Gifts requiring unusual funding arrangements or other commitments
- Gifts of intangible or unusual tangible personal property, including cryptocurrency
- Gifts of non-publicly traded securities
- Gifts of partnership interests and other non-traditional investments
- Gifts of real estate
- Gifts with special restrictions that may be difficult or costly to administer
- Gifts that are exceptions to existing guidelines or that fall outside the definition of acceptable.

When considering whether to solicit or accept gifts, PVS will consider the following factors in determining the impact of the gift on the organization: Whether the acceptance of the gift compromises any of the core values of PVS; whether there is compatibility between the intent of the donor and the organization's use of the gift; whether acceptance of the gift might damage the reputation of PVS; whether acceptance of the gift is consistent with prior practice; if the gift offered in a form that PVS can use without incurring substantial expense or difficulty; and whether the gift might encourage or discourage future gifts.

VII. DONOR CONSIDERATIONS

Key principles include ensuring that gifts are recorded, allocated and used according to donor intent and designation, safeguarding the confidentiality of the donor relationship, and providing full disclosure to the donor. PVS makes every effort to ensure that accepted gifts are in the best interests of the organization and the donor.

PVS will urge all prospective donors to seek independent legal and financial advice and counsel regarding their charitable giving plans, including resulting tax and estate planning consequences. PVS and its employees and agents are prohibited from advising donors about the tax consequences of their donations. Gifts are also subject to the provisions of other PVS policies, including adopted conflict of interest policies.

All information obtained from or about donors or prospective donors shall be held in strict confidence. Donor wishes regarding public recognition will be honored. Donor information that should be private and confidential will not be made public.

PVS works to follow The Donor Bill of Rights adopted by the Association of Fundraising Professionals and other professional organizations. PVS will comply with the Model Standards of Practice for the Charitable Gift Planner, promulgated by the National Association of Charitable Gift Planners.

A selection of named or commemorative gift opportunities may be made available to donors, based upon review and recommendation using defined standards by the gift acceptance committee.

The cost to secure an appraisal, environmental review, assessment or remediation (where required) and independent legal counsel for any gifts proposed to be made to or for the benefit of PVS are generally the donor's responsibility.

VIII. USE OF LEGAL COUNSEL

PVS shall seek the advice of legal counsel when appropriate and necessary in the consideration of the acceptance of gifts. Review by counsel is recommended for:

- 1) Closely held stock transfers subject to restrictions or buy-sell agreements.
- 2) Gifts involving contracts, such as real estate, bargain sales or other documents requiring PVS to assume an obligation.
- 3) Transactions with potential conflict of interest that may involve IRS sanctions.
- 4) Other instances in which use of counsel is deemed appropriate by the gift acceptance committee.

IX. ADDITIONAL PROVISIONS

1. Establishing the value of donated property.

It is the policy of PVS to comply fully with the valuation rules set out in Publication 561 of the Internal Revenue Service and the relevant income, gift and estate tax laws and regulations. Copies of Publication 561 are available at www.irs.gov.

2. In-kind gifts or services.

If in-kind or non-cash donations are accepted, an appropriate and generally accepted method of establishing value shall be utilized. It is the responsibility of the donor to determine such value for any tax considerations. PVS shall not place a monetary value on such donations either

in its records or in acknowledging such a gift to the donor (providing only a description of the donated asset).

Credit for contributed professional services shall be given only if such services offset a line item in a current budget (e.g., accounting services). The donor shall present a zero-due invoice to PVS, stating the dollar value of the service provided.

When calculating the value of donated volunteer services (for publicity, not accounting purposes), the hourly rate established annually by the Independent Sector, based in Washington DC, shall be utilized. As of April 20, 2021, the date of last annual valuation, that hourly rate was \$28.54.

3. Fees and commissions.

No officer, employee or agent of PVS is or will be compensated in a manner that is dependent on the size or nature of gifts made to PVS by any person. PVS generally does not pay “finder’s fees” or commissions to third parties in connection with any kind of gift to PVS. PVS does, however, pay commissions and fees to properly negotiate and transfer assets. If PVS engages legal counsel, accounting professionals, appraisers or environmental consultants, their fees and expenses will be determined by the time they spend engaged in PVS’s work and not by reference to any particular gift in connection with which they are retained.

4. Trips and special events.

When trips or special events involve a charitable contribution, the fair market value and the charitable contribution amount for each participant will be stated specifically in the promotional literature and donor acknowledgment letter. Donations given to offset the costs of a special event must be recorded as gift income, rather than as a credit to an expense account.

5. Conferences and training events.

Fees received for conferences and training events are to be recorded as income, not charitable contributions. Donations given to offset the costs of a conference or training event will be recorded as gift income.

X. CHANGES TO GIFT ACCEPTANCE POLICIES

These policies and guidelines have been reviewed and recommended to the PVS Board of Directors by the gift acceptance committee of PVS. The Board of PVS must approve any changes to these policies.

These policies will be regularly reviewed.

Approved by the Board of PVS on the day of 9/9/2022.

Amended:

Chair, PVS Board of Directors: _____